

Maine Department of Education Introduction to the Revolving Renovation Loan Fund

The Revolving Renovation Loan Fund (the “Fund”) purpose is to provide funding assistance to School Administrative Units (SAUs) to ensure that Maine school students have a safe, healthy, and appropriate learning environment. The Revolving Renovation Loan Fund provides assistance where SAUs have identified needs in the areas of: 1) health and safety; 2) building systems; and 3) learning space upgrades and small-scale capital improvements. The Revolving Renovation Loan Fund, the Major Capital Improvement Program, and the Leased Space Program are the programs available to address facility needs for Maine school students. In addition, the Fund promotes greater understanding of the school facilities’ condition, local stewardship, and a more comprehensive solution to identified needs.

The Fund was created by Legislative action in 1998. The Fund represents the realization of a joint vision of the Legislature, the Governor, the State Board of Education, and the Department of Education to address critical needs of Maine’s school facilities. The Fund is administered by the Department of Education and is funded through the Maine Municipal Bond Bank. The Department of Administrative and Financial Services, Bureau of General Services (BGS) provides the engineering expertise and technical reviews for Fund applications.

The Fund is a State and local partnership with each providing a portion of a project’s funding. Approved project costs are treated as loans, a portion of which is considered a grant, and forgiven, and the remaining balance is an actual loan for either five or ten years at a zero percent interest rate. The SAU loan repayments revolve back into the Fund and are then used to fund other approved projects.

As established, the Fund has three Priorities:

Priority 1: Health and safety issues address roof and roof structural upgrades, indoor air quality issues, compliance with the Americans with Disabilities Act, asbestos mitigation, and other health and safety issues;

Priority 2: Facility system upgrades, facility renewals or improvements of systems other than health, safety and compliance issues (i.e. window walls, door systems, water supply or waste disposal systems); and

Priority 3: Upgrades/remodeling of learning spaces and small-scale capital improvements/additions.

As provided by Legislative action, the maximum total loans from the Fund for a school will be \$3 million, which includes Priority 1, Priority 2, and Priority 3 projects. Thus, an application that proposes to address Priority 1, Priority 2, and Priority 3 issues in one project could be eligible for up to \$3 million, the maximum allowed under Rules Chapter

064. The maximum loan amount for each Priority project is \$1 million. If a SEU can document that all Priority 1 a Priority 2 issues in the school have been addressed without Fund support, the maximum loan amount from the Fund to address a Priority 3 project in that school can be up to \$2 million rather than \$1 million. A school building may qualify for a combination of loans from the Fund for Priority 1, 2, and 3 projects. School administrative units may raise additional local funds to support the project.

All Fund projects for construction of small-scale capital improvements, renovations, or remodeling of existing schools shall be designed and constructed with materials that provide long-term durability and meet energy efficiency standards.

Priority 1 and Priority 2 applications are submitted to the Department of Education on an ongoing basis. Priority 3 applications will have set deadline dates.

Application Process – Submission to Funding:

1. A completed application is submitted by the SAU to the Department of Education (the “Department”) for initial review.
2. The Department will provide feedback to the SEU indicating appropriateness of the application for the program, most apriority Priority(s), funding potential, and/or a request for additional information. Applications that cannot be rated will be returned to the SAU.
3. A qualified application will continue to be process by the Department. This may include further communication between the Department and the SAU, request for further information, and a site visit.
4. Once an application has completed the Department processing and is determined to be eligible for funding, it is sent to the BGS for their technical review.
5. The technical review by BGS addresses three areas. First, has the SAU conducted a thorough evaluation of the issue(s) to be able to identify the cause(s) and other associated issues? Second, has the SAU identified and considered potential solutions and selected the one most appropriate for that facility and the SAU that solves the problem? Third, is the cost of the solution reasonable? BGS may communicate with the SAU or its consultants to clarify details, request further documentation, and/or conduct a site visit. When BGS completes its review they will notify the Department of the results of that review.
6. The Department will provide an Eligibility Certificate to the SAU for those projects that have received BGS and Department approval. Projects that do not receive either BGS or Department approval will be provided information as to the Department or BGS determination.

Retroactive projects (those that have begun work or been completed) are not eligible for funding consideration.